



This year's tax season was once again highly successful, and much credit is due to the hard work of my staff in the Comptroller's Office.


We remain committed to fulfilling our pledge to the taxpayers by fulfilling what I call the "Three R's"—Respect, Responsiveness and Results.

As part of our commitment to serving Maryland taxpayers, my office has redoubled our efforts to combat the rising tide of tax fraud and identity theft incidents in our state. This year alone, my office has detected and blocked more than 8,000 fraudulent returns—exceeding the combined total from my first four years in office.

This past legislative session, I introduced the Taxpayer Protection Act of 2016 to better equip my office

with the statutory powers we need to keep pace with the fraudsters and financial predators that are becoming more brazen each day. Unfortunately, despite the fact that it was passed almost unanimously by the House of Delegates, the Senate failed to adopt this important legislation.

Regardless of the legislature's inaction on this bill, my office will remain on high alert and continue to take measures to protect Marylanders' financial integrity. We will continue to work with our federal and state partners to investigate and prosecute those who seek to defraud our state and its citizens, and keep a watchful eye on every tax return that comes to our office.


Peter Franchot
Comptroller of Maryland

Comptroller Stops Radioactive State Tax Returns This Tax Filing Season

In an ongoing effort to thwart tax fraudsters and identity thieves, Comptroller Peter Franchot spent this past tax filing season identifying tax preparers filing suspicious returns, working with the Attorney General's Office to indict nine people accused of tax fraud against vulnerable citizens, alerting taxpayers to various tax fraud phone and email schemes and trying to convince the General Assembly to pass his Taxpayer Protection Act.

As the tax season came to an end, 65 tax preparation firms with suspicious tax returns filed at 68 sites were identified throughout the region and at some out-of-state locations. In less than three months, the Maryland Comptroller's Office stopped processing state tax returns from these preparers, which included 23 Liberty Tax franchises in the Baltimore region. *Continued on Page 4*

A Record Number of Electronic Filers This Tax Filing Season


The 2016 tax-filing season was a banner year for Maryland taxpayers. More than 2.4 million taxpayers filed electronically this year, which is 91,000 more than had filed electronically by April 30 last year.

So far, \$1.8 billion in refunds have been returned to 1.8 million taxpayers, with most who filed electronically receiving their refunds within three business days. The Comptroller urges Marylanders to file electronically to ensure they receive their refund within days as opposed to weeks.

“This has been another smooth and very successful tax filing season, continuing the good work of our previous years,” Comptroller Peter Franchot said. “My office strives to get

refunds into the hands of hard-working Marylanders as quickly as possible.”

Critically important has been the Comptroller’s efforts to combat fraud and identity theft, and to safeguard the personal information of Maryland’s taxpayers.

Last November, Mr. Franchot signed a Memorandum of Understanding with the Internal Revenue Service to share information regarding the detection of tax fraud and to help prevent identity theft. Maryland has been highly effective in identifying and preventing fraud, and continues to work closely with the federal government and other state governments. 

Statewide Tax Refund-Warrant Intercept Program Gets Governor’s Signature

With the full support of Comptroller Peter Franchot, both the House and the Senate passed a bill that expands the highly successful Anne Arundel County Maryland Income Tax Refund Warrant Intercept Program statewide. Governor Larry Hogan signed the bill on May 10.

House Deputy Minority Whip Teresa Reilly, District 35B, and Senator Ed Reilly, District 33, sponsored HB390/SB425 with backing from local law enforcement agencies throughout the state.


“This critical piece of legislation is designed to provide a powerful tool to our state’s law enforcement agencies and give my office the authority to withhold tax refunds from Maryland taxpayers with outstanding warrants,” Comptroller Franchot said.

From 2013 to 2015, a total of \$997,817 from 1,458 refunds was withheld due to outstanding warrants. A total of \$812,543 was released after 1,107 warrants were satisfied.

“I’ve seen the powerful and immediate effect this law has had in three local jurisdictions,” the Comptroller said. “I have no doubt that the entire State of Maryland would greatly benefit to have this program available to all

jurisdictions across our state.”

This initiative complements the Comptroller’s guiding principle of rewarding taxpayers who abide by the law and aggressively pursues those who do not. This legislation will benefit law enforcement officers and the public as an additional public safety tool.

For the past couple of years, the program only applied to individuals who are residents of or have an outstanding warrant from Anne Arundel County, Washington County or Baltimore City. The Anne Arundel County warrant intercept program was set to terminate September 30, 2018, and the Washington County and Baltimore City programs were set to terminate September 30, 2019. 



Comptroller Peter Franchot spoke to news media at the Louis L. Goldstein Treasury Building in Annapolis before testifying before the House Ways and Means Committee in support of House Bill 390—the Maryland Income Tax Refunds—Warrant Intercept Program legislation.

COMPTROLLER PETER FRANCHOT reminds taxpayers that the most efficient and secure way to file a state and federal tax return is to file electronically.

Sheriff Franchot Rounds Up Marylanders for Unclaimed Property

Maryland Comptroller Peter Franchot, who in previous years has impersonated pop culture characters like a horse takes to oats for the state's annual Unclaimed Property listings, will become Sheriff Franchot this year to help Marylanders find what is owed to them.

The Unclaimed Property basket of 76,000 accounts totaling \$64 million is full of possessions and financial payoffs that banks, insurance companies and financial institutions told the state they were unable to return to the rightful owners. Any of the goods not claimed by those who own it eventually goes to the state.

Since becoming Comptroller in 2007, Franchot has had a burr in his saddle about the state holding onto people's oof. Staff members cut dirt to get Marylanders to read the list, which is available online at **www.marylandtaxes.com** and also was published as an insert in more than 30 newspapers statewide. It only takes a minute to check for your name alphabetically.

Sheriff Franchot, who appears on the cover of the whole 184-page kit and caboodle insert, is in cahoots with his staff to release a YouTube video where he appears in a traditional Western hat, wearing a badge and alongside his trusted Maryland steed, Abacus.

Along with the Unclaimed Property list, which is published annually as required by law, the Comptroller's Office searches tax records and Motor Vehicle Administration files to try and locate property owners. The agency also has a booth at the Maryland State Fair, and other events throughout the year, to allow people to check the Unclaimed Property database.

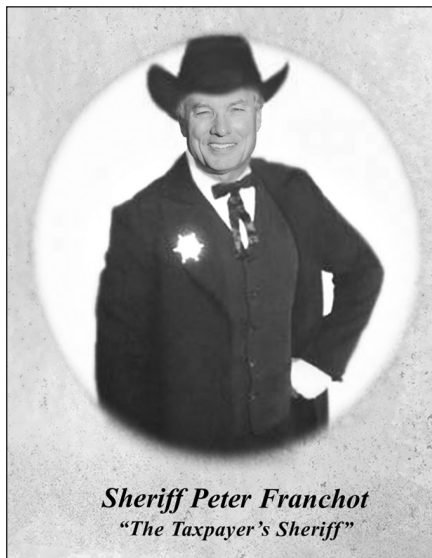
Marylanders can also check to see if their name is on the Unclaimed Property list through the Comptroller's website. Here's how:

- Go to marylandtaxes.com
- Enter your name in the agency's database
- Claim your property.


Financial institutions, insurance companies and corporations are required to notify the Comptroller's

Office of any property that has gone unclaimed, or without activity, for more than three years. This is usually wages, bank accounts, stocks or dividends, life insurance policies or from safe deposit boxes.

When the Comptroller's Office receives property that isn't monetary, as required by state law, the items are appraised and then auctioned off on eBay (www.ebay.com/usr/mdcompfranchot). The proceeds are held for the owner in perpetuity. Funds are available to be claimed at any time, with no statute of limitations and are not subject to taxes.



Franchot urges anyone who finds his or her name on the list to contact his office at 410-767-1700 (Central Maryland), or toll-free at 1-800-782-7383, to find out how to reclaim their lost property.

The Comptroller's Office honored nearly 56,000 claims totaling more than \$66 million in Fiscal Year 2015. Since 2007, the Comptroller's Office has returned more than \$450 million in unclaimed property. In total, the agency has more than 1 million accounts worth more than \$1 billion in its Unclaimed Property accounts. 

TO SEARCH FOR UNCLAIMED PROPERTY Check the names listed on the
Comptroller's website's database at: www.MarylandTaxes.com

Comptroller Stops Radioactive State Tax Returns

“It’s remarkable to me that despite the actions we took over the past three months, there are preparers who continue to brazenly submit radioactive state tax returns,” Comptroller Franchot said. “Those out there who still conduct themselves in this manner should be warned – we are going to catch up with them.”

Since taking office in 2007, the Comptroller’s Office has detected more than 65,000 fraudulent returns and stopped nearly \$152 million in tax fraud. When Comptroller Franchot took office, the agency had a total of 324 fraudulent tax returns with a cumulative dollar value of \$657,000. Last year, the total skyrocketed to almost 20,000 returns worth more than \$39 million. As each year passes, the problem continues to grow.

Last fall, the Comptroller signed a Security Memorandum of Understanding with the Internal Revenue Service to allow the sharing of this kind of activity with other agencies. The Comptroller’s Office also advised the Office Attorney General and the Department of Labor, Licensing and Regulation to enable them to take additional appropriate actions.

With his Taxpayer Protection Act, which failed to pass this legislative session, the Comptroller had hoped to better protect Maryland taxpayers by increasing the authority of his office’s Field Enforcement Divisions to hold fraudulent filers and preparers accountable by enforcement of Maryland Tax Code.

Passage also would have added a fraudulent return preparer penalty; make it a felony for anyone to try to evade or defeat any tax imposed under Tax General Article and impose a penalty upon conviction of the office; and to provide legal authority to issue injunctions against preparers under investigation for fraud to protect consumers while investigations are ongoing.

In mid-March, Comptroller Franchot along with Maryland Attorney General Brian Frosh and investigators from each office announced a collaborative effort leading to a Grand Jury delivering nine indictments on felony and misdemeanor charges against Lateisha Vanessa Kone, a Baltimore



Comptroller Peter Franchot and Attorney General Brian Frosh announce the indictment of a Baltimore tax preparer and eight of his employees on tax fraud charges.

woman who owned Liberty Tax Service franchises, and eight of her employees. The nine filed fraudulent income tax returns for more than 1,000 vulnerable Maryland residents.

“The nine individuals charged today not only violated our laws, they also violated the trust placed in them by their clients,” Comptroller Franchot said. “The ringleader and her associates targeted the most vulnerable – the homeless, disabled, drug addicts and poor people already gasping for stability. They lured victims by paying them \$50, and then submitted false tax returns to make a profit with disregard to the consequence to their clients.”

The Comptroller’s Office is a national leader in combatting these threats and in trying to protect the financial well-being of Marylanders.

“As Comptroller, I remain committed to continuing my office’s efforts to aggressively go after criminals like these tax preparers and protect hardworking and innocent taxpayers. While my office has made numerous strides in going after these criminals, we know that there is much work to be done.”

Franchot Uses Social Media to Alert Taxpayers

Comptroller Peter Franchot launched a series of You Tube tax tips on Facebook during the 2016 tax filing season to help Maryland taxpayers avoid tax fraud and identity theft schemes.

The series theme, *Filing with Franchot*, included tips on what taxpayers should do when they receive suspicious phone calls, the convenience of free tax return assistance at any of the agency's 12 branch offices, effective and secure ways to e-file and how to securely file a tax return.

The videos were posted during a four-week period at the height of the tax-filing season.

The series complimented the traditional releases the Comptroller sends during the tax season to alert Maryland taxpayers to phone and email scams and phishing schemes. 📧



Comptroller Peter Franchot appears in social media video

Comptroller to Present 2016 William Donald Schaefer Award Throughout State

Returning for a fifth year, Comptroller Peter Franchot has begun presenting the 2016 William Donald Schaefer Helping People Award to individuals and organizations throughout the state that have shown an unwavering commitment to helping people.

"It is a great honor for me to recognize those who lend a hand and spend their own time to offer hope and support to those who need it most," Comptroller Franchot said. "I am proud to note that there are many citizens and organizations that epitomize the values of William Donald Schaefer in making their communities a better place to live, work and to call home."

The Comptroller established the award in 2012 to honor the legacy of public service shown by the former Mayor of Baltimore, Governor of Maryland and Comptroller William Donald Schaefer.

Award recipients were selected on their demonstration of: improving the community; promptly responding to a citizen problem through effective government intervention; directly aiding our most vulnerable populations; or, establishing a public/private partnership to improve the lives of fellow Marylanders. 📧



Clockwise: Comptroller Peter Franchot presented his 2016 William Donald Schaefer Helping People Award for Baltimore City to Maryland New Directions, a nonprofit organization whose core mission is to eliminate long-term unemployment; Comptroller Peter Franchot presented the 2016 William Donald Schaefer Award for Talbot County to Geoff Oxnam, chairman of Junior Achievement of Talbot County and CEO of American Microgrid Solutions; Santo Grande spoke after he received the 2016 William Donald Schaefer Helping People Award for Dorchester County. Grande is president and CEO at Delmarva Community Services.

Comptroller to present Silver Hammer Awards to well-maintained schools



Clockwise: Comptroller Peter Franchot asked Oakdale Middle School's (Frederick County) Custodial Team to stand and receive a round of applause for ensuring the school's pristine conditions. From left, are: Allen Hudson, Clay Waite, Joanne Hoy, Roy Baker, Bradley Braunstein and John Zimmerman; The Comptroller presented David Kellum, head custodian at Chapel District Elementary School in Cordova, Talbot County, with a Comptroller's Medallion after he presented the school with a Silver Hammer Award for its superior maintenance; Overlook Elementary School students present a "thank you" to the custodial team; Comptroller Franchot presents Overlook Elementary School's Facilities Chief Sean Dubiel with the Silver Hammer Award.

Comptroller Peter Franchot has resumed an award presentation to recognize schools throughout the state for superior maintenance and money-saving initiatives. Known as the Silver Hammer Award, a school from each of Maryland's 23 counties and Baltimore City will be honored for their efforts to provide clean and safe environments in older schools for students to learn.

Established in 2010, the Comptroller asked Maryland educators and residents to nominate a school in their district that has shown the greatest improvements in maintenance and condition during the past year.

"The Silver Hammer Award recognizes those schools that take the extra steps to keep our children safe in well-

maintained older buildings and to ensure that they have the same positive learning experience as their counterparts in newer schools," Comptroller Franchot said.

As a member of the Board of Public Works which approves the state's annual Public School Construction Program, the Comptroller is proud of the state's unprecedented capital investments in education. On his visits to public schools, he has seen many examples of effective maintenance.

"An environment that encourages learning is what students and teachers need to succeed," Franchot said. "Research has shown the positive impact a clean, attractive and comfortable school setting has on student performance." ❧

Franchot Gets Pin at 50th Anniversary Commemorating Vietnam War

Comptroller Peter Franchot received a pin for his military service during the Vietnam War along with three others at a ceremony to commemorate the 50th anniversary of the Vietnam War on March 31 at the Miller Senate Office Building in Annapolis.

Sponsored by the Maryland chapter of the American Association of Retired Persons and U.S. Department of Defense, the event was part of Vietnam Veterans Legislative Day in Annapolis.

Comptroller Franchot, who served stateside in the U.S. Army from 1968 to 1970, received the pin from Retired U.S. Army Major General Peter Aylward, who is a senior advisor for Vietnam Commemoration, Office of the Secretary of Defense.

“I didn’t experience active duty combat when I was drafted into the service in 1968 at age 21,” Comptroller Franchot told the crowd of 300 attendees. “But as we commemorate the 50th anniversary of the Vietnam War, I can’t help but remember how those veterans were treated when they got home after serving their country so honorably.”

“They didn’t come home to ticker-tape parades with adoring crowds bursting with patriotism, but instead they came home to a nation that was widely divided on the war,” Franchot said. “... Let’s remember that because of the sacrifices and dedication of those men and women like the ones with us here today, we are all able to live work and raise families in a free nation.”

Others receiving pins included state Sen. John Astle, D, District 30, Anne Arundel County, who retired from the U.S. Marine Corps; Maj. Gen. Aylward; and active duty U.S. Army Lt. Commander John Supple.

AARP Maryland partnered with the U.S. Department of Defense to sponsor the Vietnam War 50th Commemorative event for federal, state and local communities, veterans’ organizations and others to thank and honor Vietnam veterans and their families. 🇺🇸



Retired Maj. Gen. Peter Aylward presents a commemorative pin to Comptroller Peter Franchot in recognition of the Comptroller's service on the U.S. Army. The Comptroller took part in the AARP/DoD 50th Vietnam War Commemoration and Legislative Day at the Miller Senate Building in Annapolis.



Comptroller Peter Franchot poses for a photograph with a fellow Vietnam War Veteran at the AARP/DoD 50th Vietnam War Commemoration and Legislative Day at the Miller Senate Building in Annapolis.



Comptroller Peter Franchot poses for a photograph with a retired U.S. Army Ranger at the AARP/DoD 50th Vietnam War Commemoration and Legislative Day at the Miller Senate Building in Annapolis.

Important Maryland Tax Phone Numbers

Taxpayer Services: Call 1800 MDTAXES (1-800-638-2937)
or from Central Maryland 410-260-7980.

Central Registration Unit: For help in completing the Combined Registration Application, call 410-260-7980 from Central Maryland or 1-800-638-2937 from elsewhere. You can also fax your completed application to 410-260-7908 or complete and file the application online at www.marylandtaxes.com.

Refund Unit, Compliance Division: For information about sales and use tax, admissions and amusement tax and tire fee refunds, call 410-767-1530.

License Bureau, Investigative Services Unit: To determine if special licenses are required, call 410-260-6240 or toll-free 1-866-239-9359. Send Email inquiries to slb@comp.state.md.us.

No Tax Due? If you have no tax due for the filing period, you may telefile your business tax return at 410-260-7225. You can also file your business tax return electronically, using bFile.

Visit the agency's website www.marylandtaxes.com to:
file business taxes electronically, using bFile; pay existing income and business tax liabilities online, using BillPay; register business tax accounts online; verify sales tax exemption certificates online; and use other online services.

Revenews is a quarterly publication of the
Comptroller of Maryland, printed in Annapolis, MD.

Inquiries concerning Revenews can be directed to:
Office of Communications
PO Box 466
Annapolis, MD 21404-0466
410-260-7300 (voice)
TTY users call via Maryland Relay at 711
or 1-800-735-2258

Executive Editor: Alan Brody
(abrody@comp.state.md.us)

Content Writer/Editor: Barbara Sauers
(bsauers@comp.state.md.us)

Writer: Emmanuel Welsh
(ewelsh@comp.state.md.us)

Design/Layout: Deirdre Tanton
(dtanton@comp.state.md.us)

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